

June 23, 1998

BARON'S INTERNATIONAL

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JUN 26 1998

WILFRED A. ROMERO, CLU
PRESIDENT

Executive Director of CALFED Bay-Delta Program
1416 Ninth St., Ste. 1155
Sacramento, CA 95814

RE: Lake Shasta

Dear Lester Snow:

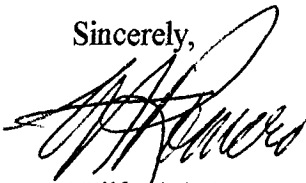
This letter is in reference to Lake Shasta water use, the environmental impacts, and the applicable laws regarding the proposal to raise the height of Shasta Dam. I'm always concerned when man changes the appearance of Mother Nature, especially if the changes are for the worse. Without getting into a diatribe on the pros and cons of which I'm certain you are aware and have been made aware of, this is a case where we should leave Mother Nature to her own devices.

My understanding is that the reason to increase the height of the Shasta Dam and to increase the size of Lake Shasta is to allow for more water to be released during the year to aid in water quality in the Bay-Delta region. Lake Shasta already has two years of rainfall run-off storage. The proposal to increase the dam height would potentially increase the size of Lake Shasta to four years of run-off storage. Why do this when we don't need it.

We see that there are two forces going on that are acting on the absolute amount of water to be released. The two forces are: 1) betting on the amount of next year's rainfall, and 2) how much confidence we have on the bet to let out more than the sustainable amount (one year's worth of rainfall) of water for mitigation purposes downstream in the Bay-Delta. This is to say we are betting the unknown on downstream demands. In view of our recent happening with El Nino raising the level of Lake Shasta is illogical. The perceived comfort of the bet, "How much rainfall runoff will there be next year?" is not the same as mitigating the outcome of the bet. There is no real net gain of water release by making the bet safer or more comfortable.

We don't want to create upstream problems to compensate for downstream problems.

Sincerely,



Wilfred A. Romero, CLU
President

WAR:dk

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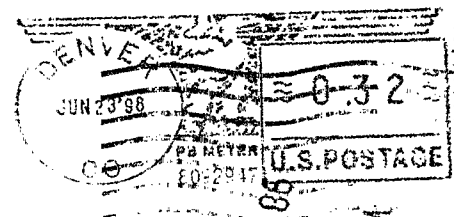
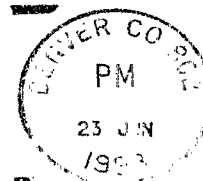
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